

810-5-1-.227.02 - Issuance of Dealer License Plates. **(REPEALED)**

(1) When examining the "Application For Motor Vehicle Dealer's License Plates" (Form # MV 40-12-264), or the "Application for Motorcycle Dealer's License Plates (Form # MV 40-12-62), Taxpayer Service Center personnel will check to ascertain if all required data has been provided by the applicant. If information necessary for the computation of the number of dealer license plates an applicant is entitled to receive is either missing or illegible, then the application shall be returned for completion by the applicant.

(2) Payment to the appropriate Taxpayer Service Center for dealer license plates shall be by certified funds (money order, cashier's or certified check). Cash will be accepted at the Taxpayer Service Center; currency sent through the mail is deemed at sender's risk.

(3) It shall not be the responsibility of the Taxpayer Service Centers to answer questions regarding whether a particular individual qualifies as a "full-time salesperson" as defined in Section 40-12-240(3), Code of Alabama 1975. An applicant is responsible for listing on the application only those persons meeting the definition of full-time salesperson.

(4) Applicants for dealer license plates should make application on a form provided by the Department of Revenue. The applicant shall provide the following information: business name, business address (physical location), regulatory license number, privilege license number, designated agent number; the form shall be signed by the applicant, indicating the title of the requester and date of application.

(5) Applicants for dealer license plates, who are qualified as motor vehicle dealers as defined in Section 40-12-240(8), shall submit a separate listing of retail motor vehicle sales made during the previous license year (October 1 - September 30). If the applicant sold less than 50 vehicles at retail during the previous license year, the listing must contain a minimum of five (5) retail sales made during the license year. If the applicant sold 50 or more vehicles at retail during the previous license year, the applicant shall submit a listing of at least 50 retail sales made during the previous license year. The listing shall contain the name of the purchaser, model year, make, VIN (vehicle identification number), and date of sale. Applications without the listing shall be returned to the applicant. Provided, that any applicant who began business during the license year is permitted to estimate sales for the upcoming license year, and shall not be required to provide a sales listing.

(6) Applicants for dealer license plates who meet the definition of "motor vehicle wholesalers" in accordance with the definition found in Section 40-12-240(12), Code of Alabama 1975, and who are not also qualified as a motor vehicle dealer, shall submit a separate listing of wholesale motor vehicle sales made during the previous license year (October 1 - September 30). If the applicant sold less than 50 vehicles at wholesale during the previous license year, the listing must contain a minimum of five (5) wholesale sales made during the license year. If the applicant sold 50 or more vehicles at wholesale during the previous license year, the applicant shall submit a listing of at least fifty (50)

wholesale sales made during the previous license year. The listing shall contain the information shown in item #5 above.

(a) The Department of Revenue considers the amendment to Section 40-12-264 contained in Act 95-761 as being applicable to persons or companies who have the majority of their sales as wholesale sales; thus the intent in limiting the maximum number of dealer license plates is not to be construed as limiting the number of dealer license plates a licensed motor vehicle dealer can receive under the provisions of Section 40-12-264(b)(2). Accordingly, any person or company qualified as both a motor vehicle dealer and as a motor vehicle wholesaler shall be issued license plates under Section 40-12-264(b)(1) and (2) if the majority of sales for the previous license year were retail sales. If the majority of sales for the previous license year were wholesale sales, the dealer shall be issued dealer license plates based on the combined retail and wholesale sales under Section 40-12-264(b)(4), as amended. In the event the number of retail and wholesale sales were the same, dealer license plates shall be issued based on the retail sales under Section 40-12-264(b)(1) and (2). Furthermore, a new business will be issued dealer license plates in accordance with the estimate of retail and wholesale sales as herein provided.

(b) Motor vehicle wholesalers qualifying for dealer license plates under Section 40-12-264(b)(4) shall provide the listing of sales made during the previous license year (see section (6) above), and shall clearly indicate whether the sales were wholesale or retail.

(7) Section 40-12-264(k), Code of Alabama 1975, provides that dealer license plates shall be surrendered upon termination of business. If a corporate entity changes its legal name, the appropriate Taxpayer Service Center shall be notified by the corporation, and a new registration receipt issued which reflects the new name of the corporation.

(8) Any registrant reporting that a dealer license plate issued is lost or stolen shall complete Form # MVR 40-12-264A, and pay the \$2.00 replacement fee provided under Section 40-12-265, Code of Alabama 1975, per replacement dealer license plate sought. Also in accordance with Section 40-12-265(b), Code of Alabama 1975, should the dealer license plate(s) which was reported as lost or stolen be recovered or come into the possession of the registrant, the registrant must immediately deliver same to the Taxpayer Service Center where issued. Should any person use a dealer license plate which was reported as lost or stolen, such person shall be guilty of a misdemeanor, and, upon conviction, shall be fined in accordance with Section 40-12-265(a). If a dealer license plate (s) mailed by the Taxpayer Service Center to any registrant is lost in the mail, the replacement dealer license plate (s) shall be issued without the \$2.00 replacement fee; provided, that the registrant shall require documentation that the dealer license plate (s) was not received.

(9) Any applicant who is denied the issuance of a dealer license plate (or the number of dealer license plates sought) may appeal the denial to the Administrative Law Judge in accordance with Section 40-2A-8, Code of Alabama 1975.

(10) In addition to the imposition of the penalties provided in Section 40-12-264(g) and (l), anyone found using dealer license plates contrary to the provisions of Section 40-12-264 shall be subject to arrest and prosecution under the provisions of Section 32-6-65, Code of Alabama 1975.

(11) Section 40-12-264[c] and [d] provide that use of a dealer license plate by a prospective customer shall not exceed 72 hours. In accordance with Section 1-1-4, Code of Alabama 1975, the 72 hour period shall not begin until the close of the business day on which the vehicle/dealer tag is loaned to the prospective customer and shall run 72 consecutive hours from that point.

(12) Section 40-12-264(b)(5) provides that "a licensed motor vehicle dealer who has been in operation less than one year shall provide a reasonable estimate of the number of motor vehicles to be sold during the current license year and may procure dealer license plates according to the schedule and category for motor vehicle dealers shown above." The Taxpayer Service Center personnel have the authority to review the estimated sales and to adjust the number of sales based on the number of full-time salespersons listed and other appropriate factors.

(13) Section 32-8-87(a), Code of Alabama 1975, discusses the issuance of a dealer transport (DT) license plate to a rebuilder to move a vehicle with a salvage title from repair point to repair point. In accordance with Section 40-12-264(f), a motor vehicle rebuilder may, beginning October 1, 1994, utilize a standard dealer license plate as provided in Act 94-584 to move a vehicle with a salvage title from repair point to repair point.

(14) The Department of Revenue interprets the amendments to Section 40-12-264 contained in Act 96-746 relating to dealer license plates as becoming effective October 1, 1997, as stated in the law. October 1, 1997 is the beginning date for the issuance of the 1998 year commercial license plates.

(15) Section 40-12-264(b) was amended by Act 96-746 to provide for standard dealer license plates to be issued for a maximum period of two (2) years. The Department of Revenue interprets these provisions to require a fee of twenty dollars (\$20) per each standard dealer license plate issued for a period greater than twelve (12) months, and to require a fee of ten dollars (\$10) per each standard dealer license plate issued for a period of twelve months or less. The \$20 fee is determined by adding the \$17 fee provided in subsection (b) with the \$3 fee authorized in subsection (h); the ten dollar (\$10) fee is determined by dividing the twenty dollar fee by two years. No refunds of the fees paid, full or partial, are authorized.

(16) Motor vehicle dealers obtaining dealer license plates on or after October 1, 1997, shall be issued dealer plates based on their total number of retail sales for the most recent license year. Example: A motor vehicle dealer with seven (7) retail sales in the 1998 license year, and four (4) retail sales during the 1999 license year shall not be issued any dealer license plates for the 2000 license year because the prerequisite five (5) retail sales were not made in the 1999 license year.

(17) Under the provisions of Section 40-12-390, et seq., Code of Alabama 1975, if a motor vehicle dealer changes his business to a qualification which authorizes fewer dealer license plates, such as a change from a new or used dealer to a wholesaler, the dealership must, at the time of the lowering of the qualification, surrender the unauthorized license plate(s) to the Taxpayer Service Center that issued the license plate(s). This provision is applicable to qualification changes that occur anytime during the period that the dealership license plates are valid.

(18) All Standard dealer license plates shall, in accordance with the provisions of Section 32-6-61, Code of Alabama 1975, expire on September in each odd numbered year. All standard dealer license plates shall be subject to revalidation in the months of October and November in the same odd numbered year in which the license plates expire. Standard dealer license plates are valid during the designated renewal period as is true with all categories of commercial license plates.

(19) Motorcycle dealer license plates, issued under the provisions of Section 40-12-62, Code of Alabama 1975, shall also be renewed on an annual basis in the months of October and November, upon payment of the \$1 fee per license plate issued. Motorcycle dealer license plates are valid during the designated renewal period as is true with all categories of commercial license plates.

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Authority: Sections 40-2A-7(a)(5), 40-12-264, 40-12-62, 32-6-61 and 40-12-390

Code of Alabama 1975

History: Adopted through APA June 29, 1995.

Amended January 19, 1996, effective February 23, 1996.

Amended November 5, 1997, effective December 10, 1997.